

3 June 1969

MEMORANDUM FOR: D/DCI/NIPE

SUBJECT : Continuation of Contract Support for NIPE/SAG.

1. Based on an anticipated increase in the activities of the NIPE/SAG, primarily relating to support to [REDACTED] and the NIRB, I believe it is essential to continue the contractual support furnished by [REDACTED] Both of these men have made very substantial contributions to our work. Both are eminently qualified and in fact are considered among the national leaders in systems analysis work. 25X1A

25X1A

2. The basis for the fees currently existing was to increase the annual GS-18 pay by 30% in order to cover the cost of Civil Service equivalent fringe benefits not furnished to contractors, and then to reduce this amount proportional to the anticipated time required. Thus for [REDACTED] whose contract started in December 1967: $\$27,055 \times 1.3 \div 2 = \$17,500$, for half-time work. Under the pay scale expected to be in effect during the new contract period (1 July 1969 to 30 June 1970), the new computation gives: $\$33,495 \times 1.3 \div 2 = \$21,800$ (plus existing travel authorization). For [REDACTED] a useful level of effort is one-fourth time at an annual fee of \$10,900. These increases are compatible with changes in Civil Service pay scales. The additional 30% added in lieu of annual leave, sick leave, retirement, etc. is a standard figure derived from DOD and Civil Service estimates and, in fact, is extremely reasonable when compared to the average contract overhead of some 110% characteristic of usual government-industry contracts. 25X1A

25X1A

25X1A

3. I do not propose to extend the contract for [REDACTED] at this time until the full impact of the future work load becomes more clearly defined. I do recommend the continuation of the contracts for [REDACTED]

25X1A

25X1A

ASA/D/DCI/NIPE

Distribution:

Original & 1 Addressee, 1 - AO/DCI, 1 - [REDACTED]

✓ - SAG Chrono

DCI/NIPE/SAG/[REDACTED] jh/4246

25X1A

~~SECRET~~

27 May 1969

25X1A

MEMORANDUM FOR : [REDACTED]

SUBJECT : Contract Expirations for NIPE Staff

1. For your information, the following NIPE Staff contracts will expire as of 30 June 1969:

	<u>Name</u>	<u>Fee</u>
25X1A	[REDACTED]	\$17,500 per annum 4,000 for 6 month period 8,130 per annum

The contracts for Messrs. [REDACTED] contain travel authorization clauses. 25X1A

2. This office requests guidance as to whether to renew the above contracts; and if so, for what period of time and at what fee.

25X1A

[REDACTED]
Administrative Officer, O/DCI